

# **New Mexico Taxation and Revenue Department**

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## **Fiduciary Income Tax Specifications and Approval Procedures** for the Reproduction of New Mexico State Tax Forms

Tax Year 2023

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## INTRODUCTION

Before you begin reproducing New Mexico tax forms, please read the *General Specifications and Approval Procedures for the Reproduction of New Mexico State Tax Forms*. It's available on the Taxation and Revenue Department (the Department) website at <https://www.tax.newmexico.gov/tax-professionals/e-filing-mandates-overview/software-developers/> then click the hyperlink titled **General Specifications and Approval Procedures for the Reproduction of NM State Tax Forms**.

To develop fiduciary income tax (FID) tax returns and schedules, you need the details outlined in this *Specifications and Approval Procedures* document. Refer to the Table of Contents page to see a full list of topics covered in this document. We encourage all vendors and form developers to review all sections to ensure the best outcome for **Form Approval Requests**.

## LETTER OF INTENT

The New Mexico LOI was consolidated in 2016 to accommodate all income tax programs for forms developers and MeF developers. New Mexico provides access to electronically submit the LOI at the Tax Software Provider Access Point (TSPAP). It is important for the Tax Software Provider to identify the TSPAP user that will be submitting the LOI on behalf of the company's e-filing and forms development teams.

Generally, information about the LOI becomes available each August. The New Mexico MeF Team will send an announcement through an established global email that contains details regarding the TSPAP website URL, username, password, and documentation on usage of the site. For all LOI and e-filing inquiries, contact the New Mexico MeF Team at [TRD-MEInfo@state.nm.us](mailto:TRD-MEInfo@state.nm.us)

The New Mexico Forms Team will follow up with a similar LOI announcement through the global email at [nactp\\_list@nactp.org](mailto:nactp_list@nactp.org) and [nactp\\_glc@nactp.org](mailto:nactp_glc@nactp.org), the global email for NACTP's Government Liaison Committee.

Each software product requires a separate LOI to request an approval to submit testing validation of electronic submissions and scannable forms, clearly indicating the tax programs and schedules that will be submitted.

### LOI Opening Date

The opening date to electronically submit LOI(s) is **September 22, 2023**. The Department must approve your product's LOI before we can accept your product test package. If you are a first year vendor and need access to TSPAP please contact the New Mexico MeF Team at [TRD-MEInfo@state.nm.us](mailto:TRD-MEInfo@state.nm.us).

### LOI Due Date

The due date to electronically submit LOI(s) is **November 1, 2023**. LOI submissions will not be accepted after this date.

## DESIGN FEATURES

Form design images define the placement of mandatory barcodes, vendor code, product code, form version code, form text, and all variable data. The form design images also define the type of characters allowed in a field, any special characters required or excluded in a field, the appearance of a field on paper, and the maximum field length.

The Department provides two design images of the form—one with a grid and one without a grid. Use the grid to help guide your placement of barcodes, scanlines, variable data, and text. Red boxes and red text on

the images indicate where to place these design features.

**IMPORTANT:** Exact placement of barcodes, scanlines, variable data, and text is required. Don't print the grid, red boxes, or red text on forms. Use the form design image without the grid as a model for your final form.

### **Vendor Code**

The vendor code is a four-digit code identifying the Tax Software Provider whose application produced the form. The National Association of Computerized Tax Processors (NACTP) assigns vendor codes. Place your code in the area specified on the form design images. The Tax Software Provider is responsible for the creation and correct placement of the 3 of 9 barcode and the placement of its vendor code in the barcode data.

**NOTE:** If you don't have a NACTP vendor code, go to [www.nactp.org](http://www.nactp.org), point to **ABOUT NACTP**, and select **NACTP Vendor ID Request**.

### **Product Code**

The software product code is required. Place the software product code near the vendor code, where indicated on the form design images.

The product code is a Tax Software Provider-defined number identifying the software product that creates a form. The product code has 2 digits from **00** to **99**. The Tax Software Provider gives the Department their product code and name(s) of the product(s) that use the code.

**IMPORTANT:** Each software product your company produces must have a separate product code.

### **Form Version Code**

The Tax Software Provider's form version code is required. Place form version codes on or near the upper left corner of the form or schedule as shown on the form design image.

The form version code is a one-digit number identifying the version of the form or schedule the developer submits. The first version of each form is **1** in the package the developer submits to the Department for approval.

Until the Department approves the complete package, increment by 1 the version code of each subsequent version of each form. When the Department approves the package of forms, the final version code is shown on each form or schedule the Department receives throughout the year.

For example, KLM submits its first package of FID forms and schedules for the upcoming tax year. The package includes FID-1, FID-B, FID-CR and FID-D. Each form shows version code 1. The Department reviews the package, notifies KLM about the required changes, and KLM sends the corrected package back to the Department. For its second submission, KLM shows version code 2 on all forms and schedules. The process continues until the Department approves the complete package. If KLM receives approval on its third submission, the version code is 3 on FID-1, FID-B, FID-CR and FID-D.

If KLM needs to revise a form at a later time, Vendor X resubmits the entire package of forms, schedules, and payment vouchers with the next version number—4 in our example.

### **3 of 9 Barcode**

The 3 of 9 barcode is a nine-digit number that identifies the form, sequence, and Tax Software Provider that produced it. The Tax Software Provider is responsible for creating and correctly placing the 3 of 9 barcode on forms. If a second company is responsible for creating the variable data, **do not** include their four-digit

vendor code in the 3 of 9 barcode.

Place 3 of 9 barcodes in the upper right corners of FID-1 (pages 1 and 2), FID-B Schedules 1 and 2, FID-CR, and FID-D in the area shown on the form design images. Exactly follow the next placement, width, and ratio requirements for barcodes.

**IMPORTANT:** Scannable forms (3 of 9 barcode forms) should not have numbers printed directly under the barcode. Having numbers within the quiet area around the barcode can interfere with barcode scanning.

3 of 9 Barcode Placement	Specification
FID-1, page 1	Rows 4, 5, 6, and 7 Columns 50-76
FID-1, pages after page 1	Rows 5, 6, 7, and 8 Columns 50-76
Height	2/3-inch
Height-to-length ratio	1:4
Narrow-Element Width	Specification
Minimum	0.50 mm
Maximum	1.25 mm
Wide-Element Width	Specification
Minimum	1.0 mm
Maximum	2.5 mm
Wide-to-Narrow Ratio	Specification
Minimum	2.25:1
Maximum	3:1

The intercharacter gap must be greater than the size of the narrow element, but no greater than 2.5 times the size of the narrow element. The Department requires a 1/4 inch quiet zone with no printing at all to the left and right of the barcode.

The next table shows the sequence and content values of information in the 3 of 9 barcodes on FID forms.

3 Of 9 Barcode Sequence and Content Value					
Form Name	Barcode Sequence/Display <sup>1</sup>	Content Value			
		Tax Year	Form #	Seq ID	Vendor Code
FID-1 (p1)	*238089999*	23	80	8	9999
FID-1 (p2)	*238099999*	23	80	9	9999
FID-B (Sch1)	*238189999*	23	81	8	9999

<sup>1</sup> Size and height-to-length ratio of barcode in this table not to specification.

3 Of 9 Barcode Sequence and Content Value					
Form Name	Barcode Sequence/Display <sup>1</sup>	Content Value			
		Tax Year	Form #	Seq ID	Vendor Code
FID-B (Sch2)	*238199999*	23	81	9	9999
FID-CR	*238289999*	23	82	8	9999
FID-CR (Supp)	*238299999*	23	82	9	9999
FID-D	*238489999*	23	84	8	9999
FID-D (Supp)	*238499999*	23	84	9	9999

### Form Text

Place and print text on your form exactly as specified on the form design images, using a font type and size that matches the font on the form design images. You may use abbreviations that meet the Tax Form Design Standards and Guidelines set by NACTP's Government Liaison Committee (GLC). You can find this manual at [www.nactp.org](http://www.nactp.org).

### Variable Data

Variable data is taxpayer-specific information. The field descriptions for different types of variable data in the next table describe the type of characters to include or exclude and the layout of the data required in a field.

**IMPORTANT:** Variable data requires exact placement.

Type of Variable Data	Field Description
Variable <b>9</b>	A numeric character field, using <b>0</b> through <b>9</b> .
Monetary fields	When <b>9</b> is in a monetary field, right-adjust the numbers. Don't pre-fill with zeros. Don't include special characters except a decimal point (.) and a comma before every third leftmost digit. For example, the field definition for a monetary field usually is <b>999,999,999</b> . If the amount to enter is \$89,500.00, enter <b>89,500</b> . If no entry is required, leave the field blank.
Percentage fields	Characters <b>0</b> through <b>9</b> and a decimal point (.). Match each field to the data requirements established for printing on the form as shown in the form design image. For example, when you see <b>0.9999</b> on the form design image, always show one digit left of the decimal and four digits right of the decimal.
Date fields	Each field indicates the format of the date placed in the field. The format uses the following indicators: <b>M</b> = month, <b>D</b> = day, <b>C</b> = century, <b>Y</b> = year. If no entry is required, leave the field blank.
Variable <b>X</b>	An alphanumeric field, using uppercase <b>A</b> through <b>Z</b> , <b>0</b> through <b>9</b> , and special characters ampersand (&), space ( ), comma (,), hyphen (-), and period (.). No other character is allowed in the field. The field is usually left justified.
Maximum field length	The maximum number of characters in a field is shown on the form design images. Don't exceed the number of characters for any field. The total characters include any required characters, such as commas and a decimal point in a monetary sum.

## SCANLINE SPECIFICATIONS FOR PAYMENT VOUCHERS

A Courier 12 point, 10 pitch scanline<sup>2</sup> is required on all FID payment vouchers—FID-PV (return payment voucher), FID-ES (estimated payment voucher), and FID-EXT (extension payment voucher). Print the payment vouchers within the bottom 3¾ inches of a separate 8½ X 11-inch page. This avoids the need for Department staff to cut the bottom edge of the voucher, which must remain even.

Place a dotted line 3¾ inches from the bottom of the page to indicate where to detach the payment voucher. In the instructions, give the taxpayer these directions:

- Don't write in the area around the scanline.
- Don't cut the voucher on the dotted line before sending it to the Department.

**A scanline requires exact placement and the exact font.** The 60-character field is numeric only. Exact positioning ensures that the Department applies the payment timely and properly. The required placement of the scanline is listed here:

- Position the leftmost number exactly 1 inch from the paper's left edge.
- Begin the scanline in row 62, column 11.
- Make the scanline 60 characters long.
- Leave a ¼ inch quiet zone around the entire scanline.
- Left justify the scanline.
- Don't leave any spaces between fields.
- If no entry is required in a field, fill it with zeros.
- Don't leave any spaces in the scanline.

Scanline Field Information					
Field	Length	Description	Display	Value	Notes About Displays and Values
# 1	2	Payment Type	99	variable	FID-PV: <b>01</b> for original return, <b>12</b> for amended FID-EXT: <b>20</b> FID-ES: <b>05</b>
# 2	6	Program Code	100700	100700	Unique to FID
# 3	9	FEIN	999999999	variable	Numbers only. No spaces, alphas, other characters.
# 4	26	Department Use Only	0000000000000000 000000000000	all zeros	—
#5	8	Tax Year	99999999	variable	Numbers only in <b>MMDDCCYY</b> format (last day of tax year)
# 6	9	Department Use Only	000000000	all zeros	—

**IMPORTANT:** Whether the software product restricts or converts the input, the output scanline must adhere to the specifications described in this document.

The next example describes and shows a scanline for this situation: An agent for a fiduciary wants to make the first quarter estimated payment for FY 2023. It is fiscal year July 1 to June 30. The fiduciary enters **12-3456789** for the FEIN.

<sup>2</sup> The scanline specifications for income tax payment vouchers and non-income tax payment vouchers are different.

#1	#3	#5
05	123456789	06302023
#2	#4	#6

The next table shows what populates in each field of the example and describes why those numbers show up in the scanline.

Field	Populates with	Why?
# 1	05	Estimated payment
# 2	100700	FID payment
# 3	123456789	FEIN without a hyphen
# 4	00000000000000000000000000000000	Required for Department use only
# 5	06302023	Last day of fiduciary's fiscal year in <b>MMDDCCYY</b> format
# 6	00000000	Required for Department use only

## TESTING AND APPROVAL PROCEDURES

Before you can release or distribute final scannable tax forms as a paper copy or as a part of a software product, the Department must test and approve your tax forms. Testing and approval is required for each tax year.

### What's Most Important To Know

- The Tax Software Provider is responsible for making sure products contain the latest form versions.
- It is the Tax Software Provider's responsibility to proofread all forms before submission.
- To avoid delays, submit the forms to the correct email address and the correct mailing address
- The Department cannot accept approval packages by fax.

### What the Department Doesn't Review or Approve

The Department does not review or approve the logic of specific software programs, nor does the agency confirm the calculations on the forms produced by these programs. The accuracy of the program remains the responsibility of the software developer, distributor, or user.

### When the Department Rescinds an Approval

If the Department approves a form but a scannable feature on the form fails to follow published specifications for the scannable feature, the Department rescinds approval of the form. An example is if the Department receives unapproved versions of a form during the filing season. Another example is a product with an error that causes the Department to create processes to bypass the error. The Department requests the Tax Software Provider to correct the error and update the product.

Willful non-compliance with the Department's requirements results in the Department rescinding a Tax Software Provider's forms approval. It is the responsibility of all Tax Software Providers to make sure their partners receive the most updated versions of all forms.

### Submitting Only a Complete Package



In one complete package, submit for testing and approval all forms, schedules, and payment vouchers supported by one tax program. The Department rejects forms and schedules submitted separately and approves only a complete package of forms, schedules, and vouchers.

### **Requirements for Tax Software Providers That Release Unapproved Forms**

If Tax Software Providers release unapproved forms in software packages, tax software providers should place a prominent visual indicator with appropriate text on the form(s) alerting the end user that the form cannot be filed (such as a “not approved for filing” flag or watermark). The Tax Software Provider's product must also include a warning that the Department rejects any returns filed with an unapproved form or schedule attached. The Department sends these returns back to the taxpayer.

### **Requirements for Approving a Scannable Test Form**

- The form is legible and scannable.
- The form's appearance conforms exactly to specifications.
- All form text and variable fields are within the specified area.
- The 3 of 9 barcode is included when required on the form.
- The scanline is included when required on the form.
- The vendor code, product code, and version number are included when required on the form.

### **When Testing Begins and Ends**

For most tax-year-specific forms, the Department will begin the testing and approval process on **November 01, 2023**.

In general, you must submit your first set of forms no later than **December 15, 2023**. After the Department's receipt, allow 10 business days for an approval status of the forms submission package. Testing ends on **January 31, 2024**. After this date, the Department rejects testing packages.

**IMPORTANT:** While the Department tries to adhere to the turnaround time, the test may take longer than 10 business days.

## **PREPARING AN APPROVAL PACKAGE**

Before giving approval to produce scannable, substitute forms for taxpayers, the Department tests all FID forms, barcodes, schedules, and payment vouchers. Follow these steps to prepare an approval package for testing.

1. For each vendor product, submit a cover letter and include your contact information, an email address, vendor code, product code, version number, and a checklist of the forms submitted in the test approval package.
2. Prepare your approval packet with the following:
  - One set of blank forms
  - One set full-field filled<sup>3</sup> with variable data
  - Two sets of test returns completed with sample variable data
    - Include each FID form and schedules you support.
3. Include payment vouchers for FID-ES, FID-PV, and FID-EXT
  - One set of blank vouchers
  - One set of full-field filled with variable data
  - Two set of test vouchers completed with sample variable data

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3 Full-field filled is a form with a character filling all possible locations and positions for variable data, for example, 9s for numeric values and Xs for alpha/numeric values.

- Include a FID-ES voucher for each quarter of tax year 2023
  - Test vouchers may be a part of the test return sets listed in step 2.
4. If you support multiple software products, clearly identify and separate those test forms/vouchers.

### **Test Scenarios**

For 3 of 9 barcode testing you can create your own scenarios.

### **Testing Sequence for Scannable Forms**

After the Department receives your approval package, we test all samples for correct font, font size, form images, and variable data placement. Then the image processing group tests the scannable features of the forms. If the test package fails any part of these tests, the Department does not approve the product. If the Department finds more than three text errors, the Department returns the package without approval.

**IMPORTANT:** The Tax Software Provider is responsible for proofreading forms.

## **WHERE TO SUBMIT FORMS**

### **Submitting Approval Package**

The Department has added electronic submissions. Electronic submissions are encouraged to reduce handling of paper. Tax software providers should submit their test packages using the link the Department provides to the forms contact listed on the LOI. If you experience issues while using the secure file upload link you may email your submission to: [NMTax.Forms@tax.nm.gov](mailto:NMTax.Forms@tax.nm.gov).

**NOTE:** [NMTax.Forms@tax.nm.gov](mailto:NMTax.Forms@tax.nm.gov) is used to receive all incoming tax form questions and other email inquiries from internal and external users. The Department encourages tax software providers to use the secure file upload to ensure form approval submissions are reviewed in a timely manner.

### **Electronic Submissions**

The Department will reject electronic submissions that do not meet the below standards.

- Include your NACTP vendor code and your product number on the cover sheet and on each return.
- Submit the cover sheet as a separate PDF.
- Do not split a multi-page form into more than one PDF (i.e. do not split the FID-1 into two PDFs).
- Do not combine multiple tax programs into a single submission (i.e. do not combine personal income tax and corporate income tax forms).
- Do not split a tax program submission into multiple submissions (i.e. submit all personal income tax forms and schedules in the same submission).
- PDFs should be produced at full-size or actual size (i.e. do not save a PDF at fit to page).

### **Paper Submissions**

The Department encourages vendors to submit their test packages electronically. Paper submissions take longer to review due to manual handling. If you mail a package, the Department requires an email with mail out date and package tracking information, if applicable, send email to: [NMTax.Forms@tax.nm.gov](mailto:NMTax.Forms@tax.nm.gov). Having this information in advance will allow the Department to make arrangements to accept the package. To prevent lost test packages or delays in testing, only submit packages to this address:

New Mexico Taxation and Revenue Department  
Attention: OOS- Tax Information and Policy Office  
1100 S. St. Francis Drive, Suite 3088  
Santa Fe, NM 87505

## **FOR MORE INFORMATION**

If you have any questions or comments after reading this document or the 2023 *General Specifications and Approval Procedures for the Reproduction of New Mexico State Tax Forms*, please send an email to [NMTax.Forms@tax.nm.gov](mailto:NMTax.Forms@tax.nm.gov).